



BEAR RIVER BAND SHORT TERM LOAN POLICY

I. Introduction

The Bear River Band of Rohnerville Rancheria recognizes the occasional need of its Tribal members for emergency funds in cases of grave personal/financial crisis. This Policy defines the authority of the Tribal Council and Director of Finance to create a program to issue short-term personal loans to eligible Tribal members.

II. Legal Obligation

The Tribal Member who is issued a personal loan must sign a loan agreement. The loan agreement shall be a legal obligation of the Tribal Member.

III. Limits

An eligible Tribal Member may borrow a minimum of \$500 up to a maximum of \$15,000. Tribal Members may not add or receive new monies until the prior loan has been paid in full. Failure to repay a loan as agreed may result in the denial of future loan requests and/or higher interest rate on future loans.

Tribal employees may not borrow any money from the Tribe.

No loans will be approved in per capita months: March, June, September and December.

Loans will be evaluated on a first come-first serve basis in terms of order or priority for review.

The Tribe will obligate a maximum of \$300,000.00 per year for Tribal Member loans.

TANF/Welfare participants may only apply for a Level One loan.

IV. Interest Rates and Payment Schedules

Rates and terms vary depending on the loan amount requested.

Tribal Members in Good Standing

Level 1 - Loan Amounts from **\$500.00 to \$1,999.00** are calculated at **5.0% APR** with up to twelve (12) months for repayment. A loan term of six (6) months or less will be subject to an interest rate of 4.0% APR.

Level 2 - Loan Amounts from **\$2,000.00 to \$7,999.00** are calculated at **4.5% APR** with up to twenty-four (24) months for repayment. A loan term of twelve (12) months or less will be subject to an interest rate of 3.5% APR.

Level 3 - Loan Amounts from **\$8,000.00 to \$15,000.00** are calculated at **4.0% APR** with up to thirty-six (36) months for repayment. A loan term of eighteen (18) months or less will be subject to an interest rate of 3.0% APR.

Members not in good standing will be subject to interest rates up to double the scheduled rates enumerated herein.

V. Fees

Level 1 loans will be subject to a \$50 documentation/origination fee.

Level 2 and Level 3 loans will be subject to a \$125 documentation/origination fee.

A monthly administrative fee of \$7.50 will be applied to all loans until satisfied. There is no prepayment penalty. Tribal Members will have the option of pledging per capita payments toward the loan balance.

All payments are due on the due date. Payments must be received by the Tribe within five (5) business days of the due date. Any payments received later than five (5) business days from the due date will be deemed late. Late payments will be subject to a \$25 late fee.

Returned checks will be subject to a \$25 returned check fee.

VI. Qualifications

This policy applies to all eligible adult Tribal members who have met the requirements for per capita payments (21 years of age or 18 years of age and High School Diploma or equivalent). All applicants must submit an income and expense declaration, and provide proof of income in the form of wage statements for the last three (3) consecutive months. Incomplete applications will not be considered.

Tribal Members requesting a loan in the **Level 1 (\$500.00-\$1,999.00)** range must have a debt to income ratio that does not exceed **75%**.

Tribal Members requesting a loan in the **Level 2 (\$2,000.00-\$7,999.00)** range must have a debt to income ratio that does not exceed **50%**.

Tribal Members requesting a loan in the **Level 3 (\$8000.00 - \$15,000.00)** range must have a debt to income ratio that does not exceed **40%**.

PER CAPITA DISTRIBUTION INCOME WILL BE CALCULATED AS INCOME FOR THE PURPOSES OF CALCULATING DEBT TO INCOME RATIOS, BUT MAY NOT BE THE ONLY SOURCE OF INCOME. PER CAPITA DISTRIBUTIONS ARE PLANNED DISTRIBUTIONS, BUT ARE NOT GUARANTEED. PER CAPITA DISTRIBUTIONS ARE MADE SUBJECT TO THE RAP AND ARE BASED ON THE CONTINUED SUCCESS OF THE GAMING OPERATION.

Borrowers that have made on-time payments for half the term of the loan may be eligible for a new loan that satisfies outstanding debt with a new loan for an additional larger amount. This provision does not apply to borrower's who have previously defaulted on their loan. Debt to income ratios will be calculated on the entire amount of the new loan and not just the incremental increase in the amount borrowed above the sum required to satisfy the outstanding balance.

VII. Default

There is one (1) 15 day grace period for late payments for each year of the loan term. If a Tribal Member fails to make a scheduled payment within 15 days of the due date for more than one month per year of the loan, the interest rate will default to 12% APR, and assignment of per cap/RSTF will be applied until the debt has been satisfied. In addition, any borrower that fails to fulfill their obligation under the loan agreement may be considered ineligible for a period of one (1) year from the date the loan is paid in full and will be classified as a high risk borrower, not in good standing. Any borrower that fails to fulfill their obligation under the loan agreement and have made no payments other than per capita may be considered ineligible for a period of two (2) years from the date the loan is paid in full and will be classified as a high risk borrower, not in good standing. If a member satisfies a subsequent loan on time after the one year suspension period, the borrower may be removed from the high risk borrower category and reinstated as a borrower in good standing.

A Tribal Member that defaults a second time will be permanently ineligible for a loan from this program.

If a Tribal Member has a loan default in the Loan Program, they become ineligible to receive the Social Service Program Food Card Assistance and/or Utility Assistance until the loan debt has been satisfied.

Tribal Members that are in default that are also employees of the Tribal Government, Bear River Casino Hotel or other Tribal Enterprises will have \$50 per paycheck garnished until the loan is paid in full. The wage garnishment is a mechanism in addition to other mechanisms for pursuing recovery of defaulted debt.

If a borrower defaults on a loan, that borrower becomes a high risk borrower that will only be eligible to apply for a Type 1 loan in the future and cannot have a debt to income ratio that exceeds 50%.

VIII. Signatures

Loans must be signed and executed by the borrower before loan distribution. All loan agreements must be notarized, regardless of the amount of the loan.

IX. PER CAPITA GARNISHMENT

In the event that a loan is in default or in arrears, all per capita distributions may be garnished by the Tribe until the loan is paid in full, not just the payment amounts in arrears.

APPROVED BY TRIBAL COUNCIL ON JULY 1, 2013. EFFECTIVE DATE JULY 1, 2013.

AMENDED March 03, 2014. AMENDED March 11, 2014. AMENDED May 19, 2014.

AMENDED November 17, 2014. AMENDED June 01, 2015. AMENDED November 23, 2015.

AMENDED November 01, 2016.



Barry Brenard, Chairman Date

 12/5/14

Dakota McGinnis, Loan Officer Date